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MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Financial Management of Agency Printing Services

1. The Office of the Comptroller concurs generally in the conclusion that a revolving fund type of financial management is desirable for Agency printing services. The analysis of the problems and procedures involved in establishing such a fund is one of the highest priority tasks of the Agency Financial Management Improvement Program. At present, this problem is the subject of a joint study by the Comptroller and Office of Logistics representatives, with a completed staff study expected within sixty days. This approach has been discussed with the Director of Logistics who is in agreement with it.

2. It is felt advisable, however, to point out the following additional facts which relate to this complex problem:

a. Approval of "no year funds" accounting may not be received until after the beginning of FY 1959. Approval, of course, would be necessary before a revolving fund could be established.

b. The initial financing level for such a fund must be established and sources of the necessary funds determined.

c. Cost accounting is in operation only in the Admin. Building Plant. Accurate cost data on all printing services should be available prior to the establishment of a full-fledged revolving fund operation.

d. Historically, conversion to a system of costing services through a revolving fund has resulted in considerable change in those requirements -- we should consider the probable effect upon funds available for printing operations which could result from changing requirements.

e. It will be necessary that an independent survey be made of reproduction or printing facilities not presently under control

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of the Printing Services Division to determine what facilities are available, the extent of their utilization, and the probable effect of those facilities on the requirements which may be levied against the printing services.

3. It is believed that the present study may result in the establishment of "pilot" projects for FY 1959 aiming at collecting the data and experience necessary for efficient revolving fund operation in FY 1960. Printing services would appear to be a logical choice for such a pilot project. It is suggested that the results of this study be awaited so that complete information may be available before your decision is made.



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E. R. SAUNDERS
Comptroller